

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Risk Management

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Purpose

To outline a risk management program for the County which includes the following:

1. To determine and ascertain that only Workers Compensation and Unemployment Insurance claims for which the County is legally liable and are a proper charge of the County, are paid.
2. To recognize the County's responsibility to expeditiously process payment of and to make accurate determination of the amount of claims for which the County is legally liable.
3. To minimize the net costs to the County of fidelity, property, Workers' Compensation, Unemployment Insurance, and other risk exposures arising from County governmental operations.

Background

As a provider of a broad range of public services, the County of San Diego is exposed to many risks in the area of general liability, fidelity, property loss and Workers' Compensation. The Risk Manager position and function has been supervised by the Fiscal Agency (1973-75), the Auditor and Controller (1975-78), and the Office of Management and Budget beginning in 1978. In July 1982, the total Risk function was moved to the Office of Employee Services (now the Department of Human Resources). In July 1984, the liability claims operation was transferred to County Counsel.

The term risk management as used in the professional literature, encompasses the following functions:

1. The logical, systematic and continuous identification of risks and exposures to loss.
2. Evaluation of the significance of the risks and exposures so identified (frequency, severity, probability).
3. Selection of prudent methods to absorb such risks (insurance transfer, non-insurance transfer, avoidance, retention) consistent with current economic and insurance market conditions.
4. Purposeful loss control action to eliminate losses or minimize their financial impact. Such action encompasses the general areas of safety, security, industrial hygiene, and

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pre-employment as well as selective post employment - physical examinations of County employees.

5. Management of Workers' Compensation losses which do occur so that injured employees are treated fairly and the physical assets and financial resources of the claim recipient (i.e., the County) are preserved as intact as possible. Medical treatment and vocational rehabilitation of employees suffering job-related injury or illness are included in this category.

6. Continuous review, evaluation and updating of the foregoing functions to reflect current needs in a constantly changing environment.

Thus, risk management is a specialized discipline intended to provide decision making authorities with data pertinent to the identification, analysis, evaluation and recommendation of alternatives for treatment of potential losses (risks) for ongoing as well as new County programs.

This Board policy provides guidelines for implementing a sound comprehensive risk management program for the County of San Diego.

Policy

It is the policy of the Board of Supervisors that:

1. County Officer Responsibility

Each department head and County officer is charged with the responsibility for:

- a. Identifying and evaluating the potential financial impact of any exposure to liability, fidelity, property or Workers' Compensation loss which may reasonably be expected to result from any governmental action proposed by, or conducted within the scope of authority of such officer;
- b. Taking appropriate action to avoid or minimize the risk of loss resulting from such exposures; and
- c. Including in the discussion of a Board letter for any action hereafter proposed by such an officer a summary of the loss exposure(s) inherent in the action, and actions taken or proposed to mitigate potential negative impacts. The fiscal impact statement should reflect the cost of these recommendations, if any.

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2.Chief Administrative Officer Responsibility

The Chief Administrative Officer through the Risk Division of the Department of Human Resources is charged with responsibility for:

- a. Coordinating County-wide the identification and analysis of the County's potential liability, fidelity, property or Workers' Compensation loss.
- b. Developing of policies and procedures for a comprehensive County-wide loss control/prevention program.
- c. Coordinating County-wide the development of financial mechanisms to provide for risk-related expenditures.
- d. Providing of technical advice and assistance to department heads related to their risk management responsibilities.
- e. Exploring with other public entities where appropriate mutual absorption or transfer of risk on a pooled basis and/or cooperative provision of accessory services.

Sunset Date

This policy will be reviewed for continuance by 12-31-08.

Board Action

1-24-78 (59)
11-6-84 (11)
8-8-89 (34)
4-4-95 (28)
6-15-04 (25)

CAO Reference

1. County Counsel
2. Department of Human Resources